



Los Angeles County
Board of Supervisors

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners.*



www.dhs.lacounty.gov

June 25, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES'
USE OF DELEGATED AUTHORITY TO AMEND THE M2S,
INC., AGREEMENT TO EXTEND THE TERM**

This is to advise the Board that the Department of Health Services' (DHS) is exercising its delegated authority, approved on May 15, 2007 (attached), which allows the Director of Health Services, or his authorized designee, to execute an amendment to an existing agreement with M2S, Inc., to extend the term for an additional 12 month period, through June 30, 2013.

Amendment No. 2 to Agreement No. H-300004 with M2S, Inc., allows DHS to continue to access preview treatment planning (PTP) software and services to improve patient care during pre/post-operative abdominal aneurysm repair, reducing the risk traditionally associated with major surgical interventions.

County Counsel has reviewed and approved the Amendment as to form.

If you have any questions or require additional information, please let me know.

MHK:ma

Attachment

c: Chief Executive Office
Chief Information Office
County Counsel
Executive Office, Board of Supervisors



Health Services
LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

Robert G. Splawn, MD
Senior Medical Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education.*



www.ladhs.org

May 15, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn of Administration
500 West Temple
Los Angeles, California 90012

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27

MAY 15 2007

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVAL OF AMENDMENT NO. 1 WITH M2S, INC., FOR THE PROVISION
OF PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES AT
HARBOR-UCLA MEDICAL CENTER
(2nd District) (3 Votes)**

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH
MODIFICATIONS ☐ DISAPPROVE

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize and instruct the Director of Health Services, or his designee, to amend Agreement No. H-300004 to formally change the business name from Medical Metrx Solutions, Inc. to M2S, Inc.
2. Authorize and instruct the Director of Health Services, or his designee, to sign Amendment No. 1 to Agreement No. H-300004, substantially similar to Exhibit I, with M2S, Inc. (M2S), formerly known as Medical Metrx Solutions, Inc., for the continued provision of preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center (Harbor), effective July 1, 2007 through June 30, 2012, with an estimated cost of \$1,500,000, and with an option to extend the agreement for an additional 12 months through June 30, 2013, at an estimated cost of \$300,000, contingent upon available funding and subject to review and approval by County Counsel and the Chief Administrative Office, and notification of Board offices.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to continue the subject contract for an additional five-year period, with an option to extend for an additional 12 months. The terms and conditions are the same, with the addition of Board mandated language.

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign an amendment with M2S for the continued provision of PTP software and services associated with the use of endovascular prosthesis in the treatment of abdominal aortic aneurysm for patients at Harbor.

M2S is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and is also qualified by the Centers for Medicare and Medicaid Services (CMS) for reimbursement.

The software will be used to guide the prosthesis and improve the level of patient care provided during preoperative (pre-op) and postoperative (post-op) abdominal aneurysm repair, reducing the risks traditionally associated with major surgical interventions.

FISCAL IMPACT/FINANCING:

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$300,000 annually, with a total cost of \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve-month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

Annual contract funding totaling \$300,000 is included in the Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1999, Harbor has pioneered the development of new treatment and a medical device for repair of abdominal aortic aneurysm repairs using the endovascular prosthesis. The PTP software and service is essential to viewing the proper placement of the prosthesis preoperatively by computerized tomography (CT). Once the insertion of the prosthesis is complete, the surgeon can survey the prosthesis and assess its placement by using patient-specific 3-D model images created by M2S PTP software and provided to the facility on Compact Disk (CD). Postoperatively, the position of the prosthesis and image via the CT can easily ascertain if a leakage has occurred and identify any clots or calcifications, allowing the physician to see the defect in the patient's vessel. These CDs enable clinicians to track the patient's progress over time through a series of images and measurements. The actual CT films or files are not required to be stored because the data is stored on CDs for easy archival and retrieval.

On July 1, 2001, CMS approved the use of CT surveillance of the endovascular device placement and the use of the service provided by Medical Media Systems, Inc. (later Medical Metrx Solutions, Inc.). CMS approved the use of PTP and software and services for Medicare and Medicaid reimbursement.

M2S provides PTP software and service associated with endovascular prosthesis used in the treatment of abdominal aortic aneurysms. This service improves the patient care provided during pre-op and post-op abdominal aneurysm repair and reduces the risk traditionally associated with major surgical interventions. Three 3-D images are rendered to allow precise sizing of the prosthesis prior to use and reveals any vascular anomalies. Hospitalization may be reduced from 10 to 12 days to 4 to 5 days postoperative.

On January 21, 2003, the Board approved a sole source Agreement with Medical Media Systems, Inc. (later Medical Metrx Solutions, Inc.), effective January 21, 2003 through June 30, 2007. The Department received notification from the contractor that the name of the organization was changing from Medical Media Systems, Inc. to Medical Metrx Solutions, Inc., effective date of June 8, 2004. Terms and conditions of the Agreement remained unchanged through June 30, 2007.

On August 1, 2006, Medical Metrx Solutions, Inc. formally changed its name to M2S, Inc.

This amendment will continue to provide the software and services for the creation of 3-D images associated with the insertion of the prosthesis for abdominal aortic aneurysms.

Contract monitoring functions are performed by Harbor administrative staff.

The Honorable Board of Supervisors
May 15, 2007
Page 3

The Department has determined that this is not a Proposition A agreement because the services are to provide software and services.

Attachment A provides additional information. County Counsel has approved Exhibit I as to use and form.

CONTRACTING PROCESS:

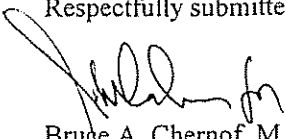
M2S is the only contractor approved nationwide by the FDA to provide this unique service and qualified by the CMS for reimbursement.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the amendment will ensure that the innovative and cost effective PTP services are provided to County patients.

When approved, the Department requires three signed copies of the Board's action.

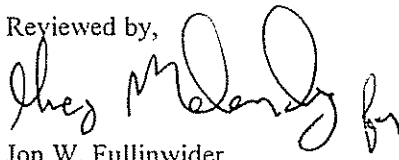
Respectfully submitted,


Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:kke
Medical/Metrx.ke.wpd

Attachments (1)

Reviewed by,


Jon W. Fullinwider
Chief Information Officer

c: Chief Administrative Officer
Chief Information Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT
(PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES)

1. TYPE OF SERVICE:

M2S, Inc., (M2S), formerly known as Medical Metrx Solutions, Inc., will continue to provide preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center.

M2S is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and qualified by the Centers for Medicare and Medicaid Services for reimbursement.

2. AGENCY ADDRESS AND CONTACT PERSON:

M2S, Inc.
12 Commerce Avenue
West Lebanon, New Hampshire 03784
Attention: M. Wes Chapman
Telephone: (603) 298-5509 Ext. 305

3. TERM OF AGREEMENT:

Effective July 1, 2007 through June 30, 2012, a 5-year agreement with M2S, Inc. with an option to extend the agreement for an additional 12 months through June 30, 2013, contingent upon available funding and subject to review and approval by County Counsel and the Chief Administrative Office and notification of Board offices.

4. FINANCIAL INFORMATION:

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$300,000 annually, with a total cost of \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve-month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

Annual contract funding totaling \$300,000 is included in the Fiscal Year 2007-08 Proposed Budget and will be requested in future fiscal years.

5. GEOGRAPHIC AREA TO BE SERVED:

2nd District

6. ACCOUNTABLE FOR MONITORING:

Miguel De Los Reyes

7. APPROVALS:

Chief Executive Officer: Miguel Ortiz-Marroquin, Acting CEO

Contracts and Grants: Cara O'Neill, Chief

County Counsel (approval as to use): Edward Morrissey, Deputy

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES
SOLE SOURCE AMENDMENT WITH MEDICAL METRIX SOLUTIONS, INC., FOR
PROVISION OF PREVIEW TREATMENT PLANNING SOFTWARE AND SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☒ Contract Extension
☒ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 5 Yrs # of Option Yrs 1

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Bruce A. Chernof, M.D.

Budget Information :

Y-T-D Contract Expenditures	\$1,285,900 (Est. thru 6/30/07)
Requested Contract Amount	\$1,800,000
Aggregate Contract Amount	\$3,085,900

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? The total estimated net County cost for the term of the agreement is 100% reimbursable by Medicare, Medicaid and third-party insurance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved?

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS). This is a continuation of an existing agreement for provision of services on an as-needed basis and is therefore not conducive to being tracked under ITTS.
--------------------------	-------------------------------------	---

Project/Contract Description:

Amendment No. 1 to Agreement No. H-300004 with Medical Metrix Solutions, Inc., (Metrix) (previously known in the original agreement as Medical Media Systems, Inc.) provides for the continued provision of preview treatment planning (PTP) software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA (Harbor) Medical Center, effective July 1, 2007 through June 30, 2012, with an option to extend the agreement for an additional 12 months through June 30, 2013.

In approving the recommended action, the Board is authorizing the Director of Health Services, or his designee, to sign an amendment with Metrix for the continued provision of PTP software associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor.

Background:

Since 1999, Harbor-UCLA Medical Center has pioneered the development of new treatment and medical device for repair of abdominal aortic aneurysm repairs using the endovascular prosthesis. The PTP software and service is essential to viewing the proper placement of the prosthesis preoperative via computerized tomography (CT).

On January 21, 2003, the Board approved a sole source Agreement with Metrix effective January 21, 2003 through June 30, 2007. This amendment will continue to provide the software and service for the creation of 3-D images associated with the insertion of the prosthesis for abdominal aortic aneurysms. Terms and conditions of the Agreement remained unchanged through June 30, 2007.

Project Justification/Benefits:

The software will be used to guide the prosthesis and improve the level of patient care provided during preoperative (pre-op) and postoperative (post-op) abdominal aneurysm repair, reducing the risks traditionally associated with major surgical interventions.

Metrix is the only contractor approved nationwide by the Food and Drug Administration (FDA) to provide these unique services and qualified by the Federal Health Care Financing Administration (HCFA) for reimbursement.

Approval of the amendment will ensure the continued innovative and cost effective PTP services are provided to County patients.

Project Metrics

The PTP software has been successfully implemented and is in maintenance mode. Success is being measured by the successful maintenance and operation of the software.

Impact on Service Delivery or Department Operations if Proposal Is Not Approved

If this amendment is not approved, the use of the vendor's PTP software and services associated with endovascular prosthesis use in the treatment of abdominal aortic aneurysm at Harbor-UCLA Medical Center would cease, greatly increasing the risk traditionally associated with major surgical interventions.

Alternatives Considered:

Metrix is the only contractor approved nationwide by the FDA to provide this unique service and qualified by the HCFA for reimbursement, so no other alternatives could be considered.

Project Risks:

None

Risk Mitigation Measures:

None required.

Financial Analysis:

The total cost for the Amendment to the Agreement, effective July 1, 2007 through June 30, 2012, shall not exceed \$1,500,000, with an additional extension of the contract term with no changes in the rates, for an additional twelve months through June 30, 2013, contingent upon available funding. The total cost for the twelve month extension will not exceed \$300,000. These costs are computed based on a \$500.00 fee-for-service prosthesis placement procedure and a rate-per-procedure which includes services and supplies.

The total estimated net County cost for the term of the agreement is 100% reimbursable by Medicare, Medicaid and third party insurance.

Funding for this amendment is included in the Fiscal Year 2006-07 Final Budget and will be requested in future fiscal years.

CIO Concerns:

None

CIO Recommendations:

Approve

CIO APPROVAL

Date Received: March 27, 2007

Prepared by: Earl Bradley

Date: May 2, 2007

Approved: [Signature]

Date: 5/3/2007